



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



OCTOBER 23, 2001

Further Consolidation of Short Line Rail Firms. RailAmerica, the largest U.S. short line railroad holding company, has announced plans to acquire the eight short line and regional railroads owned by StatesRail for \$90 million. Two years ago, RailAmerica acquired fellow conglomerate RailTex. After the StatesRail acquisition, RailAmerica will own and operate 47 short line railroads in the United States, Canada, Australia, and Chile.

The StatesRail network includes 1,650 route miles and handles 177,000 carloads per year. The properties were attractive to RailAmerica since they fit into the company's clustering strategy. By operating several railroads in the same geographic region, RailAmerica can share assets among the roads, buy fuel at a better price, and have one manager oversee several properties. The StatesRail properties of significance to agricultural shippers include: Kyle Railroad Company, which operates 690 route miles in northern Kansas, western Nebraska, and eastern Colorado and annually hauls approximately 24,000 railcars of grain; Kiamichi Railroad, which operates 231 route miles in Oklahoma, Arkansas, and Texas and annually hauls approximately 8,400 railcars of pulp and paper products, among other items; San Joaquin Valley Railroad Company, which operates 341 route miles between Fresno and Bakersfield, CA, and annually hauls 6,300 railcars of farm products, among other things; and Alabama and Gulf Coast Railway, which operates 141 route miles from Kimbrough, AL, to Pensacola, FL, and annually hauls more than 36,000 railcars of pulp, paper products, lumber, and wood products.

RailAmerica has also confirmed its interest in acquiring ParkSierra Corporation, which owns the Arizona and California Railroad, California Northern Railroad, and the Puget Sound and Pacific Railroad. These lines operate approximately 700 route miles and annually haul about 62,000 carloads—about 6,600 railcars carrying farm products; 13,000 carrying of food and kindred products; and approximately 24,000 carrying lumber, wood products, pulp, and paper products. (USDA, Marketing and Transportation Analysis, Marvin Prater, Marvin.Prater@usda.gov 10/22/01)

Burlington Northern To Cut Jobs. Freight Railroad Burlington Northern Santa Fe Corp., the Nation's second largest railroad after Union Pacific Corp., announced that it would cut 400 jobs, about 1 percent of its workforce. Revenue from consumer goods and agricultural commodities rose 3 percent; however, revenue from shipping coal fell 5 percent. The company's net income was \$225 million or 58 cents per share, compared to \$259 million or 64 cents per share a year earlier. (AP 10/23/01)

Northwest Wheat Farmers Hope To Export to Iran. With the Bush Administration's efforts to boost its antiterrorism coalition, Iran could become a big customer for Northwest wheat growers. Northwest wheat growers used to send more grain to Iran than any other country. However, in 1979, when militants entered the U.S. embassy in Tehran and held Americans hostage, economic sanctions were imposed, halting wheat shipments from the United States to Iran.

U.S. exporters used to be the largest supplier of wheat to Iran. When the United States stopped shipments, Canadian and Australian wheat increased in the Iranian market. Iran, Canada's largest customer, is expected to import 6.5 million metric tons of wheat this year. During the most recent marketing year, northwest growers exported most of their wheat crop, about \$615 million worth. During that same year, Iran imported about \$770 million worth of wheat, none of it from the United States. (AP 10/22/01)

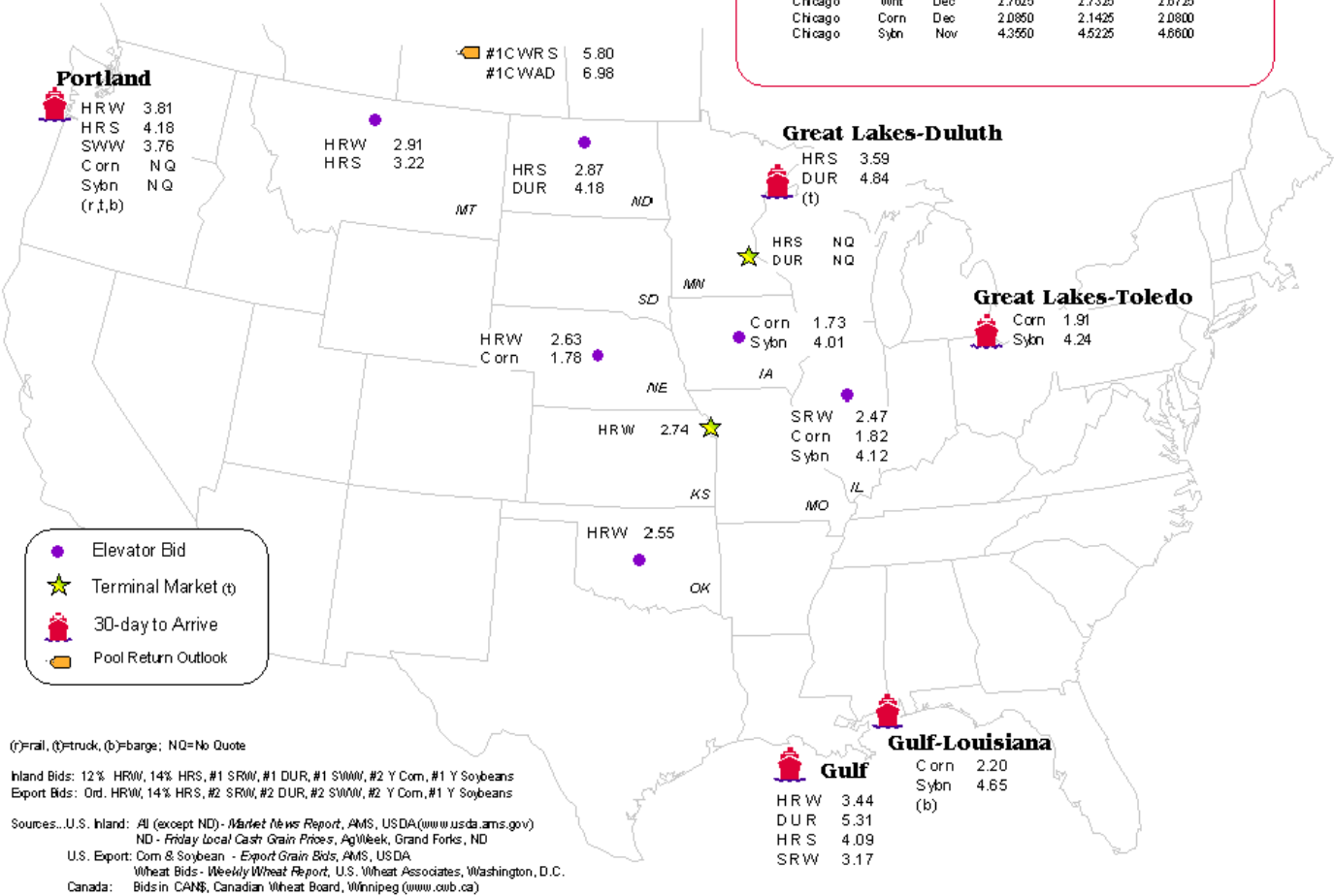
Mississippi River Flyovers False Alarms. On October 24, the Federal Bureau of Investigation (FBI) announced that reports of an incident on October 19, in which a crop duster allegedly sprayed a white substance on a towboat crew and a pleasure craft near Rosedale, MS, were unfounded. FBI special agent Robert Cromwell said that the towboat crew members were released after a 60-hour quarantine when no health threat was detected and examination of their clothing and the towboat surface revealed nothing unusual. He added that the substance was likely nothing more than smoke, which may have been discharged from the plane as a greeting to those below. On October 22, a Coast Guard station near Natchez, MS, reported being sprayed by a white substance and said that a plane was in the air nearby. Cromwell said that investigators have determined that the substance was in the air before the plane flew over and was consistent with material often emitted by a nearby paper processing plant. The State health department has advised the FBI that none of the materials found in either case was a dangerous substance. (USDA, Marketing and Transportation Analysis, Nick Marathon, Nick.Marathon@usda.gov 10/25/01)

Crop Losses in Montana, Wyoming, and South Dakota. Due to a drought, farmers in Montana, Wyoming, and South Dakota are expected to suffer record crop losses this year. In Montana, projected losses could total \$280 million for insured crops, with wheat accounting for about \$200 million. In South Dakota, projected losses are \$190 million, compared to \$136 million for insured crops in 1995. In Wyoming, losses are estimated at \$5.2 million, compared to the 1993 high of \$4.8 million. In North Dakota, losses are projected at \$291 million. Wheat is expected to account for about half of this year's losses there. (AP, 10/18/01)

Report is prepared by Karl Hacker and Sigal Nissan, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Karl.Hacker@usda.gov.

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Grain Bid Summary

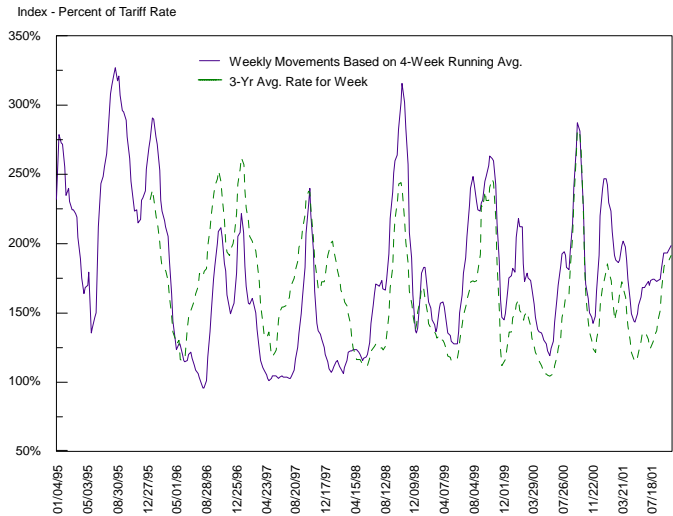


(r)=rail, (t)=truck, (b)=barge; NQ=No Quote

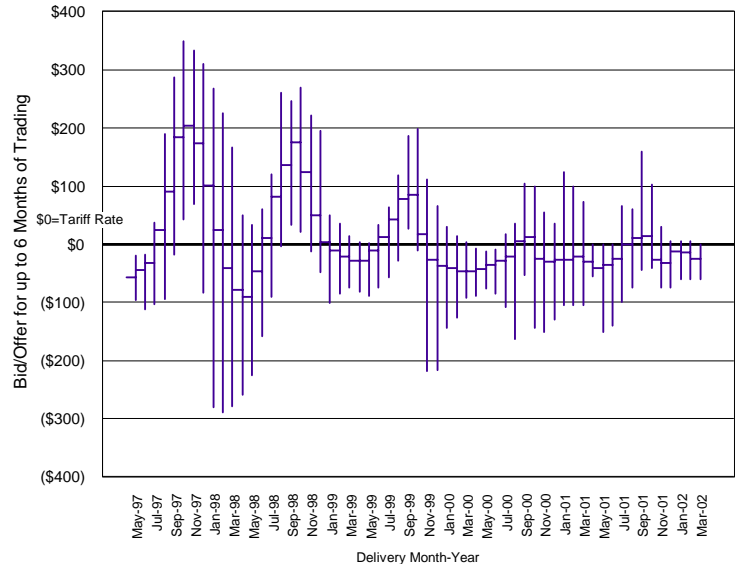
Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - Market News Report, AMS, USDA(www.usda.ams.gov)
ND - Friday Local Cash Grain Prices, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - Export Grain Bids, AMS, USDA
Wheat Bids - Weekly Wheat Report, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN\$, Canadian Wheat Board, Winnipeg(www.cwb.ca)

Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings

Delivery for:	Dec-01		Jan-02	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	11,047	19%	13,454	2%
UP-GCAS	5,400	0%	No Offer	

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Nov-01	Dec-01	Jan-02	Feb-02
BNSF-GF	\$(35)	\$(32)	\$(18)	\$(18)
UP-Pool	\$(74)	\$(65)	\$(52)	\$(52)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Dec-01	Jan-02	Feb-02
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

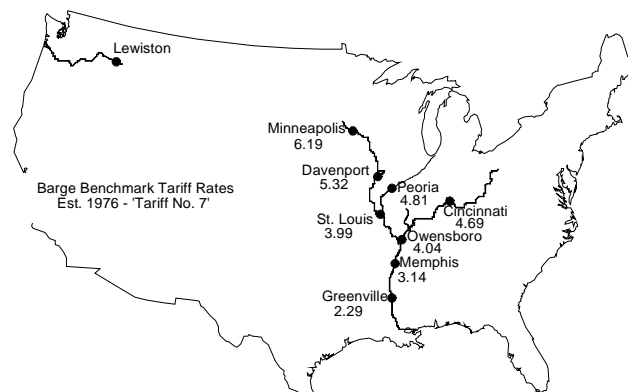
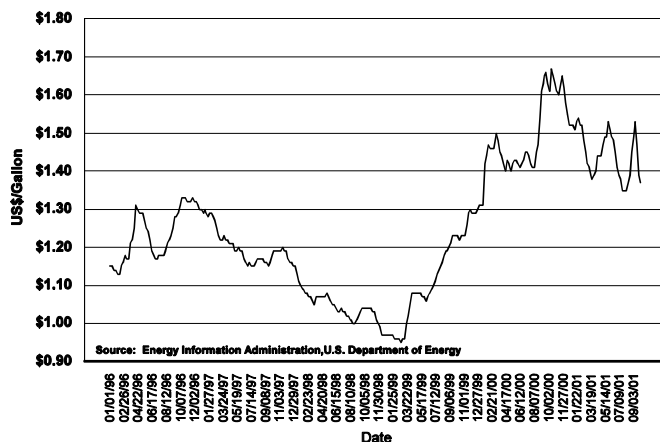
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
10/22/01	St. Louis	Nov	148	150
		Jan	128	140
		Mar	128	140
		May	136	0
		Jul	0	0
	Illinois River	Nov	170	175
		Jan	193	195
		Mar	170	175
		May	0	0
		Jul	0	0

Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

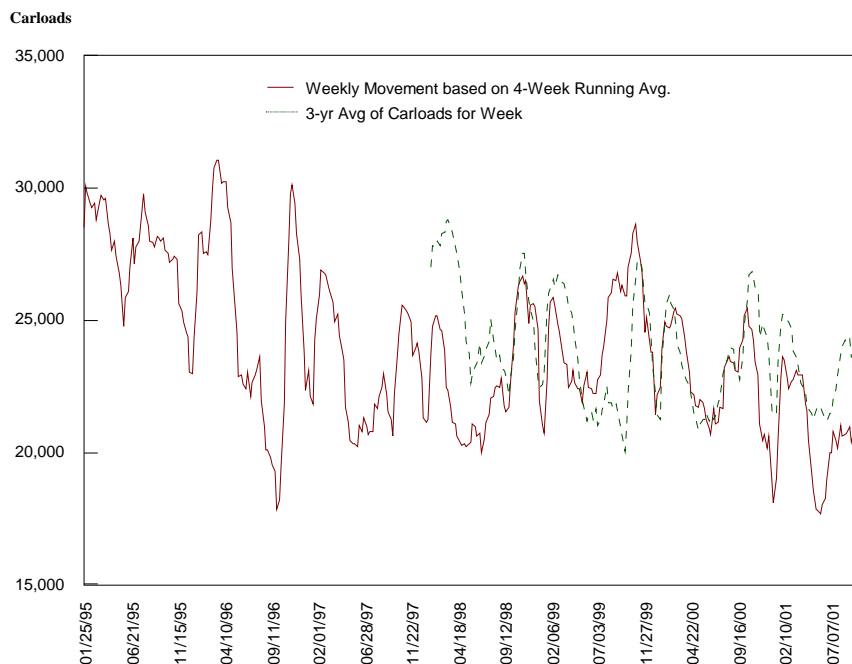
	10/17/01	10/10/01	Nov '01	Jan '02
Twin Cities	205	220	214	0
Mid-Mississippi	204	208	183	0
Illinois River	198	204	170	196
St. Louis	170	205	153	146
Lower Ohio	202	220	163	148
Cairo-Memphis	163	197	145	135

Source: Transportation & Marketing /AMS/USDA
nq=no quote;**Weekly Retail Diesel (Road) Prices (Including Taxes)**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
9/29/01	21,527
10/06/01	25,590
10/13/01	25,773
Year to Date - 2001	865,827
Year to Date - 2000	958,904
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

Train Carloads Originated									
			East		West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
10/13/01	0	3,512	0	3,487	10,503	413	7,858	4,848	4,535
This Week Last Year	0	3,063	0	3,680	10,094	483	7,727	4,574	5,270
2001 YTD	0	118,371	0	124,056	330,924	19,407	273,069	200,178	183,275
2000 YTD	0	111,718	70,155	119,914	334,433	22,306	300,378	112,664	189,732
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

October 2001

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
10/08/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
10/08/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
10/08/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
10/08/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
10/08/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
10/08/01	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
10/08/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
10/08/01	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
10/08/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,730	\$30.09	\$0.82
10/08/01	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

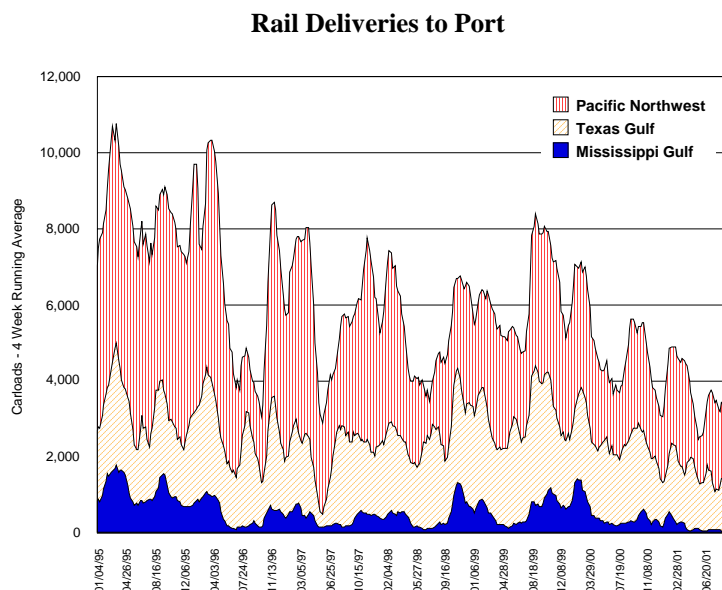
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port**Carloads**

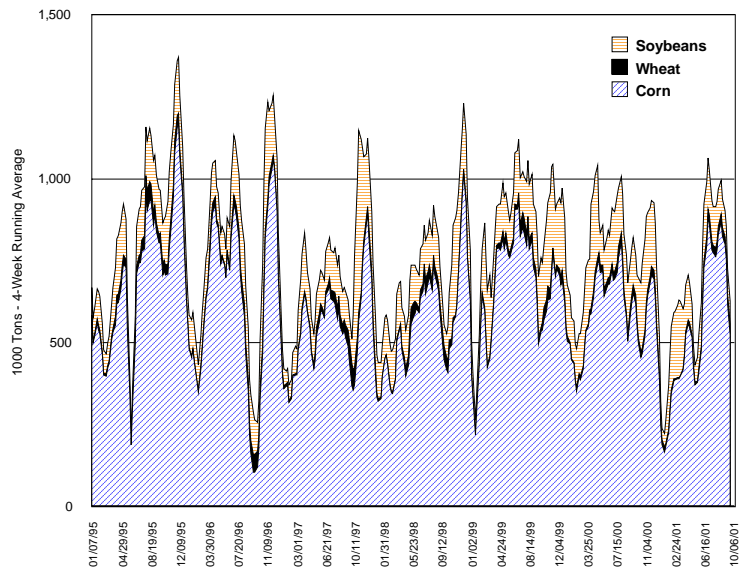
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
09/12/01	0*	1,513	1,580	214
09/19/01	478*	1,119**	1,469	243
09/26/01	212*	1,833**	1,823	413
10/03/01	102*	1,368**	1,640	292
10/10/01	477*	2,215	2,861	519
10/17/01	591*	1,260	2,808	696
YTD 2001	7,680*	62,405**	87,749	19,691
YTD 2000	22,592	87,681	108,221	10,852
Total 2000	25,675	105,308	129,464	14,816
Total 1999	30,038	132,069	161,492	14,446

Source: Transportation & Marketing/AMS/USDA



(*) Incomplete Data

(**) Revised Data

Barge Movements - Locks 27**Barge Grain Movements**

for week ending 10/13/01

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	123	2	234	363
Winfield, MO (L25)	261	25	149	442
Alton, IL (L26)	337	25	211	585
Granite City, IL (L27)	364	27	195	591
Illinois River (L8)	109	0	39	148
Ohio (L52)	97	9	69	212
Arkansas (L1)	0	29	4	34
2001 YTD	25,078	2,169	6,646	35,374
2000 YTD	26,378	2,040	7,458	37,243
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

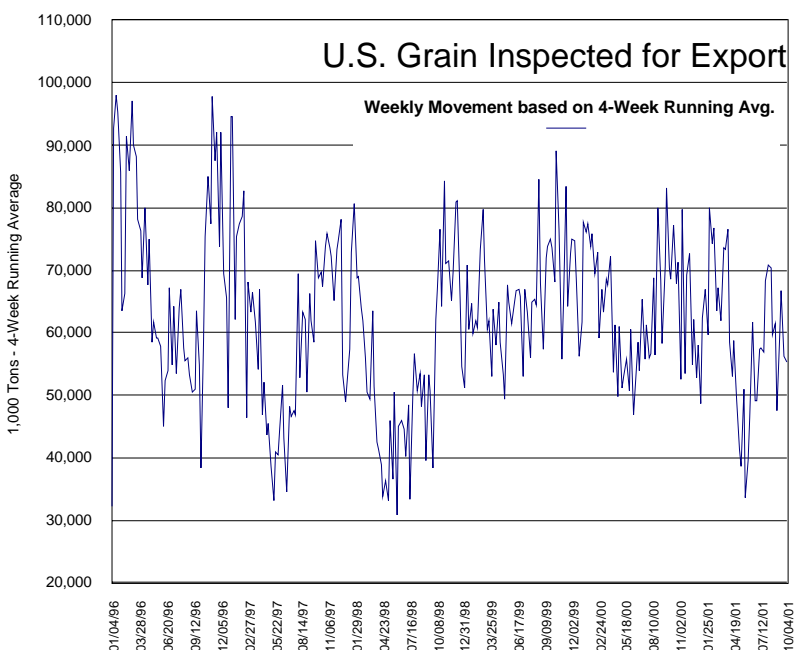
	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	Wheat <i>SWW</i>	<i>DUR</i>	<i>All</i>	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
10/11/01	1,175	1,087	868	550	227	3,906	6,944	8,531	19,381
This Week Year Ago	1,125	373	741	688	193	3,120	6,812	6,190	16,122
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	2,889	2,079	1,987	1,158	522	8,635	5,306	1,526	15,467
99/00 YTD	3,921	2,060	2,094	1,824	486	10,385	6,597	17,713	34,695
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
10/11/01	258	12	144	146	683	254	125	22	71
2001 YTD	7,508	4,280	1,594	4,820	27,710	10,636	4,304	235	1,050
2000 YTD	7,477	5,036	901	5,452	28,350	12,725	5,678	366	936
% of Last Year	75%	71%	93%	71%	79%	59%	62%	50%	104%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

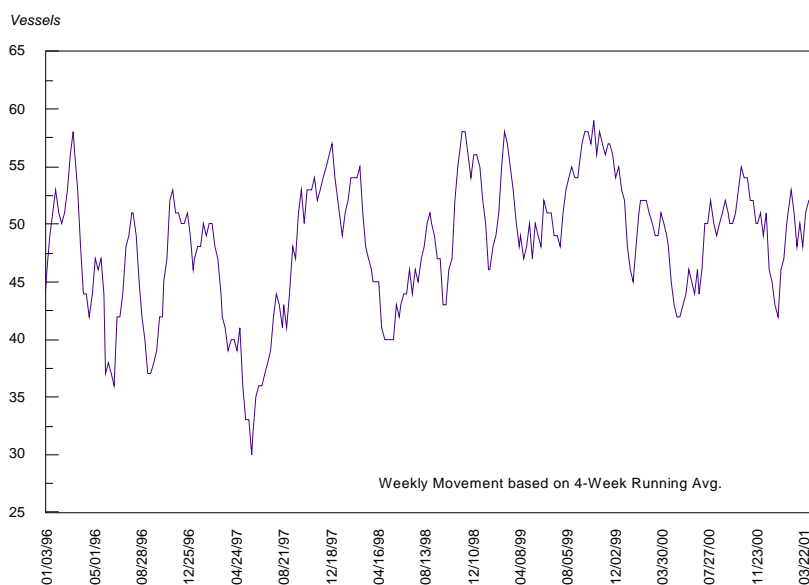
Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 10/11/01			
Vancouver	1,412	78	53
Prince Rupert	32	0	0
Prairie Direct	215	47	59
Thunder Bay	79	35	0
St. Lawrence	609	220	178
2001 YTD Exports	2,347	380	290
2000 YTD Exports	2,456	594	149
% of Last Year	96%	64%	195%

Source: Canadian Grains Commission, Crop year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

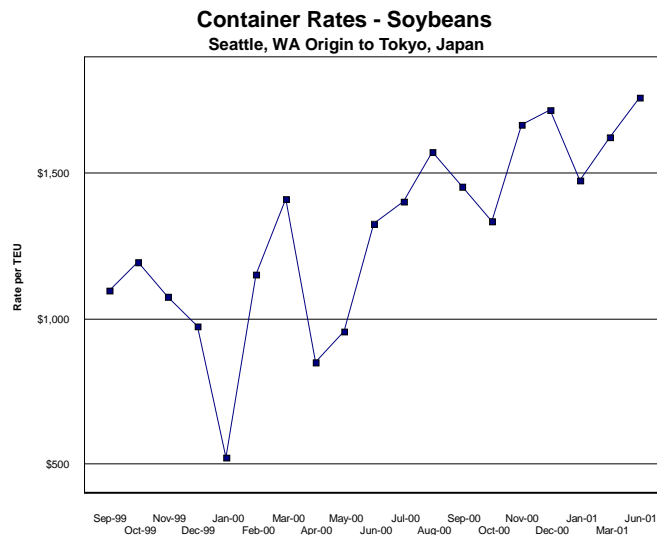
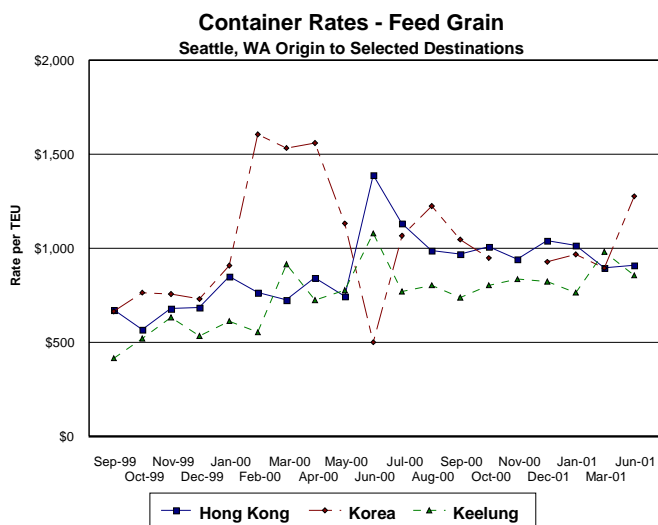
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
10/04/01	30	50	64	7			13	11	4
10/11/01	26	55	70	13			14	9	3
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

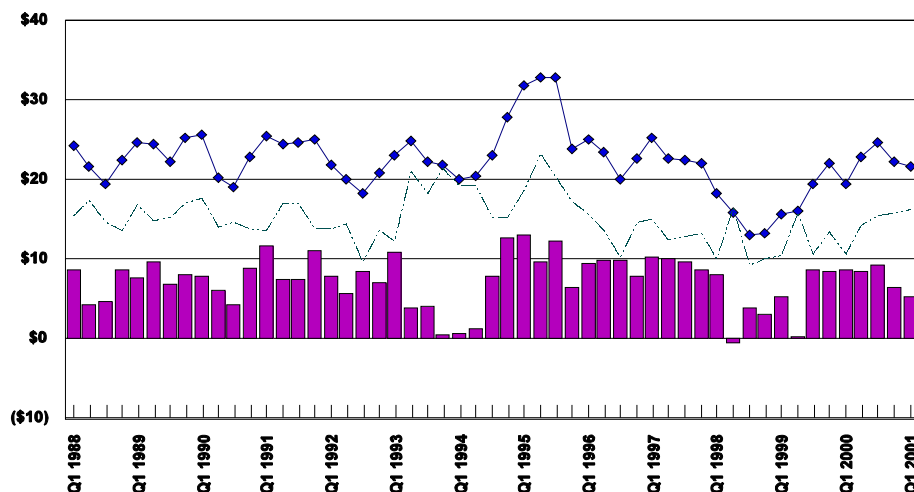
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

◆ Rate - Gulf to Japan
 --- Rate - PNW to Japan
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean
Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2001 2 nd Qtr	2000 2 nd Qtr	% Change		2001 2 nd Qtr	2000 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$22.31	\$22.84	-2%	Japan	\$13.50	\$14.37	-6%
Mexico	\$17.84	\$16.58	8%	Red Sea/ Arabian Sea		\$33.46	
Venezuela	\$14.76	\$11.34	30%				
N. Europe	\$16.93	\$15.50	9%	Argentina to			
N. Africa	\$19.52	\$20.91	-6%	N. Europe	\$19.68	\$18.96	4%
				Japan	\$26.62	\$26.57	-

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 10/20/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Lakehead	Portugal	Wheat	Spot	22,000	\$23.50
Thunder Bay, Canada	Seaforth	Heavy Grain	Prompt	33,500	\$24.50
Burns Harbour, IN	Algeria	Corn	Nov 1/10	15,000	\$37.00
Gulf	Londonderry, UK	Grains	Oct 22/27	20,000	\$14.50
Gulf	Japan	Heavy Grain	Nov 20/30	52,000	\$17.00
N. Pacific	Taiwan	Heavy Grain	Nov 1/7	56,000	\$10.20
Brazil	Lisbon/Hamburg	Grains	Prompt	25,000	\$15.20
Odessa, Ukraine	Red Sea	Barley	Oct 19/23	50,000	\$14.00

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option